Circuit that "locks" trademark owners into current zones of expansion (for example, "Christian" and "non-Christian" trade channels in *M2 Communications*) where no such limitation exists in the registration ignores federal trademark law. *Wella Corp. v. California Concept Corp.*, 558 F.2d 1019 (C.C.P.A. 1977) (reversing Board holding that the parties were "locked into" separate trade channels; no proof of impossibility of use of common trade channels).[12]

B. The Ninth Circuit Improperly Resolved Genuine Issues of Material Fact when it Granted Summary Judgment on the Cases of the M2 Petition

Alarmingly, the district court made the pair of rulings that virtually destroyed the commercial viability of the expansion channels of a growing United States corporation unilaterally and without a trial.[13] The Ninth Circuit affirmed the lower court's decisions by resolving genuine issues of fact on its own.[14]

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[12] The *Madacy* test is flawed because consumers lose the "market signaling" qualities of a trademark. The decisions disregard the interest of the public, which is now required to distinguish between *three* unrelated uses of **M2** in the music industry. Under *Madacy*, any unrelated venture may launch tomorrow, for example, under "**MOTOWN** Sports Music" or "**MOTOWN** Christian Music," provided only that it avoided the specific musical genre of "soul music" of the senior federal registrant. The whole purpose of federal trademark law in protecting the identification of a company's style, image, goodwill and reputation is destroyed.

[13] Summary judgment was granted in full in *M2 Communications*. Partial summary judgment was granted in *Madacy*, but there was no effective jury trial. The only narrow portion of the case at trial excluded the very industry in which both parties traveled – effectively staging what was incredibly the first-ever federal trademark trial in which a district court elected to exclude the parties' trade. *Madacy*, 421 F.3d at 1076.

[14] The Ninth Circuit found that the district court "did not err" on the factors of proximity, intent, and expansion, and that it "erred" on the marketing channel factor. *Madacy*, at 1082-1085. The Ninth Circuit similarly determined that the lower court's findings on similarity of marks and sophistication of purchasers were "not erroneous." *Id.*

Summary judgment is only proper where "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). To avoid summary judgment, M2 was required only to establish a genuine issue of material fact concerning whether the defendants were "using a mark confusingly similar" to a valid and protectable mark. *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 184 F.3d 1107, 1109-1110 (9th Cir.1999), cert. denied, 528 U.S. 1155 (2000). "Because of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in the trademark arena." *Id.* at 1109. All inferences should have been resolved against the moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). The defendants were required to establish that there were no genuine issues of fact for trial and that the undisputed facts entitled them to judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Genuine issues of fact remained so the case should have been tried. *See First Nat'l Bank of Ariz. v. Cities Serv. Co.*, 391 U.S. 253, 288-89 (1968).

The Ninth Circuit should have reviewed *de novo* the grant of summary judgment. *MetroNet Servs. Corp. v. Qwest Corp.*, 383 F.3d 1124, 1128 (9th Cir. 2004). The court's sole responsibility should have been only "to determine if there [were] triable issues . . ." *Country Floors, Inc. v. Gepner*, 930 F.2d 1056, 1062 (3d Cir. 1991). The Ninth Circuit's application of the multi-factored "likelihood of confusion" test of *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir. 1979) demonstrated that substantial triable issues existed on whether there was a likelihood of confusion:

Table I: Weighing of the Factors in *Madacy*
H=heavy weighting, U=unspecified, S=slight weighting

	M2	Madacy
1) Strength of the mark (**pivotal**);	U	
2) Proximity of the goods (**pivotal**);	S	
3) Similarity of the marks (**pivotal**);	S [H] [15]	
4) Evidence of actual confusion;	[U] [16]	U
5) Marketing channels used;	[U] [17]	H
6) Sophistication of purchasers;		U
7) Defendant's intent;		S
8) Likelihood of expansion.		U

As shown in the above table, the Ninth Circuit acknowledged that the factors were split between the parties. The multi-factored test actually weighed in M2's favor because the first three factors are deemed "**pivotal**" factors in this type of trademark case. *Dreamwerks Prod. Group Inc. v. SKG Studio*, 142 F.3d 1127, 1130 (9th Cir.1998). The

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[15] Where the marks at issue are identical, this factor "weighs heavily against the applicant," not merely slightly. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1315 (Fed. Cir. 2003).

[16] Intervening precedent has now aligned the First Circuit with the Federal Circuit in holding that the actual confusion factor – essentially a real-world litmus test of mark similarity – is logically moot where, as here [*Madacy* at 1078], an infringer launches but quickly folds after timely suit. *See Borinquen Biscuit Corp. v. M.V. Trading Corp.*, --- F.3d ---, 2006 WL 852365 at *7 (1st Cir. 2006) (April 4, 2006); *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 949 (Fed. Cir. 2000); *Gillette Canada, Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992).

[17] The district court weighed the "marketing channel" factor in the favor of M2. *Madacy* at 1084. The Ninth Circuit ignored evidence that the parties shared exactly the same trade shows because they did not attend in the same year. *Id.* But timing goes to actual confusion and damages, not to whether the ordinary marketing channels for the parties' fields of industry were the same.

only factors it weighed for the defendants were secondary factors highly susceptible to jury interpretation.[18] To affirm the lower court's ruling, the Ninth Circuit was required to find that there remained no genuine issue of material fact under its *de novo* review. *Anderson*, 477 U.S. at 255. It did not do so. Instead, it found a split and went one step too far to make the determination that only the jury could have made: *Given the split, who wins?*

This is not an isolated case.[19] Instead, most small companies that are harmed by this type of judicial overreaching simply never make it this far to seek resolution by this Court of last resort. The cases of the M2 Petition present a rare opportunity for this Court to step in to protect the commercial rights of small companies that depend upon this nation's trademark laws to survive.

III. CONCLUSION

For the reasons set forth herein, M2 respectfully requests that this Court consider this request for a rehearing on the M2 Petition.

Respectfully submitted,

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[18] The *M2 Communications* factors mirrored those of *Madacy* shown in Table 1. *See M2 Communications*, 149 Fed.Appx. at 614.

[19] *See, e.g., Surfvivor Media, Inc. v. Survivor Productions*, 406 F.3d 625 (9th Cir. 2004). The federal registrant in *Surfvivor* had used its trademark alone for nearly 20 years (U.S. Reg. No. 1,722,033) and on sunscreen since 1997 (U.S. Reg. No. 2,110,909), when its rights were effectively transferred to the more powerful defendants without a trial.

RULE 44.1 CERTIFICATION

Pursuant to Supreme Court Rule 44.1, I hereby certify that the herein Petition for Rehearing is presented in good faith and not for delay.

Respectfully submitted,

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